

By: Mano Guller

S.B. No. 1419

A BILL TO BE ENTITLED

AN ACT

relating to the authority of chiropractors to form certain business entities with certain other professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsections C and D, Article 2.01, Texas Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas Civil Statutes), are amended to read as follows:

C. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may organize a non-profit corporation under this Act that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

(2) supporting medical education in medical schools through grants or scholarships;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine;

1 (4) delivering health care to the public; or
2 (5) instructing the public regarding medical science,
3 public health, hygiene, or a related matter.

4 D. When doctors of medicine, osteopathy, ~~[and]~~ podiatry,
5 and chiropractic organize a non-profit corporation that is
6 jointly owned by those practitioners, the authority of each of
7 the practitioners is limited by the scope of practice of the
8 respective practitioners and none can exercise control over the
9 other's clinical authority granted by their respective licenses,
10 either through agreements, articles of incorporation, bylaws,
11 directives, financial incentives, or other arrangements that
12 would assert control over treatment decisions made by the
13 practitioner. The Texas State Board of Medical Examiners, ~~[and]~~
14 the Texas State Board of Podiatric Medical Examiners, and the
15 Texas Board of Chiropractic Examiners continue to exercise
16 regulatory authority over their respective licenses.

17 SECTION 2. Subsection (B), Section 2, Texas Professional
18 Association Act (Article 1528f, Vernon's Texas Civil Statutes),
19 is amended to read as follows:

20 (B) Licenses. (1) Except as provided by this subsection,
21 all members of the association shall be licensed to perform the
22 type of professional service for which the association is
23 formed.

24 (2) Doctors of medicine and osteopathy licensed by
25 the Texas State Board of Medical Examiners, ~~[and]~~ podiatrists
26 licensed by the Texas State Board of Podiatric Medical
27 Examiners, and chiropractors licensed by the Texas Board of

1 Chiropractic Examiners may form an association that is jointly
2 owned by those practitioners to perform a professional service
3 that falls within the scope of practice of those practitioners.

4 (3) Professionals, other than physicians, engaged in
5 related mental health fields such as psychology, clinical social
6 work, licensed professional counseling, and licensed marriage
7 and family therapy may form an association that is jointly owned
8 by those practitioners to perform professional services that
9 fall within the scope of practice of those practitioners.

10 (4) When doctors of medicine, osteopathy, ~~and~~
11 podiatry, and chiropractic, or mental health professionals form
12 an association that is jointly owned by those practitioners, the
13 authority of each of the practitioners is limited by the scope
14 of practice of the respective practitioners and none can
15 exercise control over the other's clinical authority granted by
16 their respective licenses, either through agreements, bylaws,
17 directives, financial incentives, or other arrangements that
18 would assert control over treatment decisions made by the
19 practitioner. The state agencies exercising regulatory control
20 over professions to which this subdivision applies continue to
21 exercise regulatory authority over their respective licenses.

22 SECTION 3. Subsection (3), Section A, Article 11.01, Texas
23 Limited Liability Company Act (Article 1528n, Vernon's Texas
24 Civil Statutes), is amended to read as follows:

25 (3) Doctors of medicine and osteopathy licensed by
26 the Texas State Board of Medical Examiners, ~~and~~ podiatrists
27 licensed by the Texas State Board of Podiatric Medical

1 Examiners, and chiropractors licensed by the Texas Board of
2 Chiropractic Examiners may organize a professional limited
3 liability company that is jointly owned by those practitioners
4 to perform a professional service that falls within the scope of
5 practice of those practitioners. When doctors of medicine,
6 osteopathy, ~~[and]~~ podiatry, and chiropractic organize a
7 professional limited liability company that is jointly owned by
8 those practitioners, the authority of each of the practitioners
9 is limited by the scope of practice of the respective
10 practitioners and none can exercise control over the other's
11 clinical authority granted by their respective licenses, either
12 through agreements, bylaws, directives, financial incentives, or
13 other arrangements that would assert control over treatment
14 decisions made by the practitioner. The Texas State Board of
15 Medical Examiners, ~~[and]~~ the Texas State Board of Podiatric
16 Medical Examiners, and the Texas Board of Chiropractic Examiners
17 continue to exercise regulatory authority over their respective
18 licenses.

19 SECTION 4. Subsection (e), Section 2.02, Texas Revised
20 Partnership Act (Article 6132b-2.02, Vernon's Texas Civil
21 Statutes), is amended to read as follows:

22 (e) Authority of Doctors of Medicine, ~~[and]~~
23 Osteopathy, and Chiropractic and Podiatrists to Create
24 Partnership. Doctors of medicine and osteopathy licensed by the
25 Texas State Board of Medical Examiners, ~~[and]~~ podiatrists
26 licensed by the Texas State Board of Podiatric Medical
27 Examiners, and chiropractors licensed by the Texas Board of

1 Chiropractic Examiners may create a partnership that is jointly
2 owned by those practitioners to perform a professional service
3 that falls within the scope of practice of those practitioners.
4 When doctors of medicine, osteopathy, [~~and~~] podiatry, and
5 chiropractic create a partnership that is jointly owned by those
6 practitioners, the authority of each of the practitioners is
7 limited by the scope of practice of the respective practitioners
8 and none can exercise control over the other's clinical
9 authority granted by their respective licenses, either through
10 agreements, bylaws, directives, financial incentives, or other
11 arrangements that would assert control over treatment decisions
12 made by the practitioner. The Texas State Board of Medical
13 Examiners, [~~and~~] the Texas State Board of Podiatric Medical
14 Examiners, and the Texas Board of Chiropractic Examiners
15 continue to exercise regulatory authority over their respective
16 licenses.

17 SECTION 5. This Act takes effect September 1, 2005.

S.B. No. 1419

By Mario Salgado Jr.

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AN ACT:

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MAR 10 2005

Filed with the Secretary of the Senate

MAR 21 2005

Read and referred to Committee on HEALTH & HUMAN SERVICES

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.

Ordered not printed

Laid before the Senate

Senate and Constitutional Rules to permit consideration suspended by: { unanimous consent
_____ yeas, _____ nays

Read second time, _____, and ordered engrossed by: { unanimous consent
a viva voce vote
_____ yeas, _____ nays

Senate and Constitutional 3 Day Rule suspended by a vote of _____ yeas, _____ nays.

Read third time, _____, and passed by: { A viva voce vote
_____ yeas, _____ nays

SECRETARY OF THE SENATE

OTHER ACTION:

Engrossed

Sent to House

Engrossing Clerk _____

Received from the Senate

Read first time and referred to Committee on _____

Reported _____ favorably (as amended) (as substituted)

Sent to Committee on (Calendars) (Local & Consent Calendars)

Read second time (comm. subst.) (amended); passed to third reading (failed) by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

Constitutional rule requiring bills to be read on three several days suspended (failed to suspend) by a vote of _____ yeas, _____ nays, _____ present, not voting.

Read third time (amended); finally passed (failed to pass) by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

Returned to Senate.

Returned from House without amendment.

Returned from House with _____ amendments.

Concurred in House amendments by a viva voce vote _____ yeas, _____ nays.

CHIEF CLERK OF THE HOUSE

_____ Refused to concur in House amendments and requested the appointment of a Conference Committee to adjust the differences.

_____ Senate conferees instructed.

_____ Senate conferees appointed: _____, Chairman; _____
_____, _____, and _____

_____ House granted Senate request. House conferees appointed: _____, Chairman;
_____, _____, _____.

_____ Conference Committee Report read and filed with the Secretary of the Senate.

_____ Conference Committee Report adopted on the part of the House by: _____

{ a viva voce vote
_____ yeas, _____ nays

_____ Conference Committee Report adopted on the part of the Senate by:

{ a viva voce vote
_____ yeas, _____ nays

OTHER ACTION:

_____ Recommitted to Conference Committee

_____ Conferees discharged.

_____ Conference Committee Report failed of adoption by: _____

{ a viva voce vote
_____ yeas, _____ nays